Cherry Bowl Tries to Succeed with Odd Television Pact and No Palm Trees

Continued from Preceding Page

geographical area, traditionally draws huge crowds, and not all fans, Mr. Martin supposed, like to spend stacks of money trekking half way across the country to see a game.

Ticket sales for his game, which may well be a sellout, appear to bear him out.

The Cherry Bowl has sold all those tickets even though the two teams that will play have only modest records. Michigan State won six games and lost five, while Army won seven, lost three, and tied one.

The teams were selected by a committee composed of experienced Michigan football personalities. It is headed by Frank D. "Muddy" Waters, former head coach at Michigan State University, and includes two former professional football coaches and a dozen former all-American players, one a Heisman Trophy winner.

Mr. Waters says he is satisfied with the selections. He wanted a Big 10 team, to encourage local support and sponsorship, and he got one in Michigan State. The second team, he said, came down to a straw vote among Rutgers University, Army, and a few others. Army, which has good national television appeal, won out.

Mr. Waters was upset to find, however, that playing by N.C.A.A. rules—they stipulate that bowl offers cannot be extended, or accepted, until the Saturday following the third Tuesday in November—does not necessarily pay. "We found that several of the teams we were interested in had committed to other bowls a week before the deadline."

Little Time to Set Up TV

When Mr. Martin first got the notion to organize a postseason game, he says, he calculated that his experience in operating special events for associations of engineers, home builders, teachers, and the like would stand him in good stead.

But television, which could bring in large sums of money to help finance the bowl, proved to be a problem, because the game wasn't approved by the N.C.A.A. until August, and there was very little time to organize coverage.

Television contracts are usually painfully ground-out compromises between bowl organizers and TV networks, and the network invariably ends up in control of the package. And the conventional wisdom says that the bigger the TV contract, the bigger the bowl game.

But, inspired by the innovative approach of Olympic Games organizers, Mr. Martin began to wonder whether a contrary television plan might be just the thing for a brand-new game.

So he asked Vic Piano, Sr., chairman of Mizlou Television Network, a New York sports syndicator, how much it would cost to "buy" his company's production capabilities, its access to a satellite, and its assurance that it would show the game. The Cherry Bowl would co-produce the coverage, with concomitant decision-making power, and would take care of selling advertising and of reaping any profits from it.

Mr. Piano calls the contract "a marriage made in heaven," even though Mizlou would make more money from a traditional agreement.

Mizlou profits from the unlikely arrangement because it has been involved in litigation with organizers and sponsors of the Florida Citrus Bowl, also to be held on December 22, and for the first time in 12 years will not be able to televise that game, which was called the Tangerine Bowl until last year. The suit, in which Mizlou was suing NBC and the Florida Citrus Sports Association for $75.4-million in damages, was dismissed last week.

Mizlou could have had a 3½-hour hole in its programming if Mr. Piano had not entertained proposals from the Cherry Bowl.

With its wealth of national advertisers, Detroit is the perfect place to try the innovative setup, he says.

In late October, Mr. Martin joined Mr. Piano in making an announcement that might have struck many bowl organizers as a death knell: The Cherry Bowl would pay Mizlou about $250,000 to televise the game.

Mizlou had agreed to a one-year contract, with an option to renew. The game will be seen on about 130 stations.

Group Sales a Major Factor

The Cherry Bowl's two major organizational linchpins are the "Century Club" and a network of trade associations.

The Century Club is a sophisticated group-sales technique that seeks to assure that up to 50,000 tickets will be bought, whether the public wants them or not. It is based on selling tickets in lots of 500, at $20 a ticket, to companies and businesses. Such sales are aimed at covering the game's basic costs, such as the Pontiac Silverdome's $150,000 rent.

Sponsors can give their allotments away to favorite clients, or use them in sales promotions. As an alternative, they can simply promise to pay for any of the 500 tickets that do not sell at normal ticket outlets.

Similar schemes are used by organizers of other bowls, though most better-established games can depend on sellout crowds and do not need to find sponsors who will take on such large blocks of seats. The Cherry Bowl has sold 40 blocks of 500 seats to 21 sponsors—a substantial number, though far short of the 50,000-seat goal. But ticket sales have been brisk enough that the shortfall should pose no danger to the bowl's financial viability.

Recognizing that the game promises a massive infusion into the Detroit-area economy, corporations and a large network of trade associations are rallying support for it. On Mr. Martin's desk sits a directory of Michigan trade associations. He has spent some 20 years working with associations and is treasurer of the Michigan Society of Association Executives. Every time he needs to get something done, he calls round to find a colleague who can get it done for him.

When he wanted chocolate-covered cherries to place in Detroit hotel rooms on bowl-game weekend and fine cigars for the presidents and coaches of the participating institutions, he immediately called a friend at the Michigan Tobacco and Candy Distributors and Vendors Association and convinced him that such a deed could not help but benefit the association's image.

"Associations have a community and member interest," Mr. Martin says, and their donations of services and merchandise amount to cheap advertising.

Perhaps due to the novelty of the event, the Cherry Bowl has also attracted no end of support from individuals, such as the retired Big 10 referee who wanted only to look after the game's referees, making sure they knew how long it would take them to get to the field from the locker rooms, and that they had extra whistles and the like.

Cherry Bowl, Inc., itself will not make money on the game. It is a non-profit organization. After deducting funds needed for the game's continued operation, and for payments to the two participating institutions—the N.C.A.A. requires that 75 per cent of profits go to the participants—the corporation will use the net revenues to set up college scholarships in such "agri-food" fields as restaurant management and human nutritional science.

For the moment, bowl staff members are intent upon planning, promotion, and preparing for unlikely occurrences.

Using the Silverdome facilitates planning. Ticket takers, security personnel, and janitors are at the ready. The arena's restaurant, which overlooks one end zone, will house a V.I.P. lounge where senior state officials can mingle during the game with university presidents and key alumni.

Negotiating for cheap hotel rates also proved easy enough, since the week before Christmas is one of the slowest rooming weeks of the year. As a result, the Michigan State and Army marching bands, plus two from Detroit-area high schools, have been saved from a cramped week in college dorms.

Hotels will also display welcome signs and colored pompons, and gift shops will stock game and team souvenirs. Memorabilia and knick-knacks—travel bags, jackets, ice buckets, small clocks—will be for sale at the stadium. So too will be acrylic sweaters, sweatshirts, and T-shirts, all emblazoned with maps of Michigan and emblems of the red cherry. Embroidered sew-on patches have been offered to the marching bands at a moderate cost. The teams have been offered more expensive, serial-numbered lapel pins.

Insured Against a Blowout

What can go wrong when one mounts a bowl game? The possibility of a large puncture in the Silverdome's air-suspended ceiling of Teflon-coated nylon is remote, but the corporation is insured against it all the same.

Scores of police officers will be on hand to direct traffic, and road-scraping teams will be on alert in case of snow. Routes to the dome from every direction are set. Area maps will be placed in hotels.

By the time the teams slip into town—well before all this hoopla begins—someone will know for certain whether Oakland Pontiac Airport, nearer to the game site than Detroit's, can accommodate the teams' aircraft in inclement weather.

During the week preceding the game, the players will get used to the Silverdome, where no college football team has ever played. They will be feted at several functions—a pregame brunch sponsored by the Michigan Department of Agriculture and highlighting Michigan food, a series of luncheons, visits to auto plants and auto museums, and so on.

There will be no pep rally in Detroit's Cobo Hall, as originally planned, because of the rioting that took place after the Detroit Tigers' World Series victory. The applicable philosophy of special-event planning, Mr. Martin says, is: "It's better not to have people saying, 'There were six events and three were lousy.' It's easier to explain a non-event than an event that was 'non.' "

But the logistics of organizing players, who are used to the confusion of a big game, are nothing compared with those of organizing, say, the 700 people who make up the four marching bands. Before the game begins, they must be fed, because they will have practiced all morning in the Silverdome. The facility's acoustics are such that a few seconds pass between the playing of a note and its reverberation from the dome's far reaches. Bands have to rehearse for that.

The script must also make provision for the bands to get off the field after the halftime show. If the spectacle lasts too long, bowl organizers can expect a reprimand from the N.C.A.A. (It has, however, granted a three-minute extension.)

Come game time, the coin will be tossed by the National Cherry Queen, Kimberly Broome, a junior at Central Michigan University who was picked from 20 Michigan residents in July at the annual cherry festival that has taken place in Traverse City, Michigan, every year since 1926.

Then, "when the event is on," Tom Martin says, "I'm just going to sit and watch it. I want to be ready, but I shouldn't be surprised by anything that happens."

He has not had, he knows, enough time to be absolutely certain of every last detail, but so far everything has gone smoothly. Next year he will work from a master plan. He and a friend in the computer business are developing software for an operating model for large events of any sort. Time sequences will be set. Printouts of contingency plans will be available for every last staff member. All the things one needs to do between January and December will be in hand. That's next year.

The Match-Ups for This Year's Football Bowl Games

Bowl	Date	Time (EST)	Location	TV network	Teams	Est. payment per team*
Aloha	Dec. 29	8 p.m.	Honolulu	Metro/ESPN	Notre Dame vs. S.M.U.	$ 400,000
Bluebonnet	Dec. 31	8 p.m.	Houston	Mizlou/ESPN	Texas Christian vs. West Va.	465,000
California	Dec. 15	4 p.m.	Fresno, Cal.	Mizlou/ESPN	Nevada–Las Vegas vs. Toledo	150,000
Cherry	Dec. 22	1 p.m.	Pontiac, Mich.	Mizlou	Army vs. Michigan State	1,000,000
Cotton	Jan. 1	1:30 p.m.	Dallas	CBS	Boston College vs. Houston	2,000,000
Fiesta	Jan. 1	1:30 p.m.	Tempe, Ariz.	NBC	Miami vs. U.C.L.A.	1,100,000
Florida Citrus	Dec. 22	1 p.m.	Orlando, Fla.	NBC	Florida State vs. Georg-a	600,000
Freedom	Dec. 26	8 p.m.	Anaheim, Cal.	TCS Metro	Iowa vs. Texas	500,000
Gator	Dec. 28	8 p.m.	Jacksonville, Fla.	ABC	Oklahoma St. vs. S. Carolina	900,000
Hall of Fame	Dec. 29	8 p.m.	Birmingham, Ala.	Turner	Kentucky vs. Wisconsin	650,000
Holiday	Dec. 21	9 p.m.	San Diego	Mizlou/ESPN	Brigham Young vs. Michigan	475,000
Independence	Dec. 15	8 p.m.	Shreveport, La.	Mizlou/ESPN	Air Force vs. Virginia Tech	425,000
Liberty	Dec. 27	8:30 p.m.	Memphis	Katz	Arkansas vs. Auburn	700,000
Orange	Jan. 1	8 p.m.	Miami	NBC	Oklahoma vs. Washington	2,000,000
Peach	Dec. 31	3 p.m.	Atlanta	CBS	Purdue vs. Virginia	580,000
Rose	Jan. 1	5 p.m.	Pasadena, Cal.	NBC	Ohio State vs. Southern Cal.	5,600,000
Sugar	Jan. 1	7 p.m.	New Orleans	ABC	Louisiana State vs. Nebraska	2,100,000
Sun	Dec. 22	3 p.m.	El Paso	CBS	Maryland vs. Tennessee	550,000

* Most conferences have formulas for allocating a portion of bowl receipts among all members.

People in Sports

James Berkman, assistant men's lacrosse and men's basketball coach at St. Lawrence U., to men's lacrosse coach at State U. of New York College at Potsdam.

Phil Brooks, football coach at Alma College, also to athletic director.

Lee Corso, football coach at Northern Illinois U., to football coach at the Orlando franchise of the United States Football League.

Joseph DeBella, doctoral student at Texas A&M U., to athletic director and wrestling coach at Jamestown College.

Larry Ellis, men's track-and-field coach at Princeton U., also to chairman for men's track and field of the Athletics Congress.

Wally English, football coach at Tulane U., has been dismissed.

Richard P. Gibney, former associate athletic director at Syracuse U., to athletic director at Lehigh U.

Larry Hubbard, former lacrosse player at U. of Maryland, to men's lacrosse coach at Lynchburg College.

David Huntington, director of alumni relations at Bowdoin College, to associate athletic director at Yale U.

Larry Kentera, assistant football coach at Northern Arizona U., to coach.

William B. Lechonby, athletic director at Syracuse U., has retired.

George McKernan, assistant men's swimming coach at West Chester U., to men's and women's swimming coach there.

Challace McMillin, football coach at James Madison U., has been dismissed.

Ladon E. Nelson, assistant men's basketball coach at Bowie State College, to coach.

Nick Nikou, former baseball coach at City U. of New York's City College, to women's basketball coach at City U. of New York's Lehman College.

Michael Pelliccia, acting athletic director at Nassau Community College, to athletic director.

John Potsklan, football coach at Albright College, has retired.

Warren Powers, football coach at U. of Missouri, has been dismissed.

Joe Sciarrone, former track-and-field athlete at City U. of New York's Lehman College, to men's track-and-field coach there.

Jay Smith, assistant men's gymnastics coach at U. of West Virginia, to men's gymnastics coach at Clarion U. of Pennsylvania.

Steve Stetson, football coach at Hamilton College, to football coach at Boston U.

Rick Taylor, football coach and athletic director at Boston U., has resigned as football coach.

Bob Thalman, football coach at Virginia Military Institute, has been dismissed.

Leroy T. Walker, chancellor of North Carolina Central U., also to president of the Athletics Congress.

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News Summary

Articles on inside pages

Historians are complaining that, under William Bennett, the National Endowment for the Humanities is discriminating against newer fields of study. Story on Page 5.

The Fulbright program has announced its 1984-85 awards to American scholars for study abroad. A list of winners begins on Page 18.

Charitable giving to colleges would drop by about 27 per cent if the Treasury Department's tax plan becomes law. Story on Page 25.

More than a fifth of the faculty members and administrators eligible for early retirement at the State University of New York will exercise that option. Story on Page 27.

College endowments ended the 1984 fiscal year with a loss of 2.8 per cent. Story on Page 36.

In the new open market for televising college football, many of the major powers earned less money per game. Story on Page 37.

A conglomeration of over 140 communities, Los Angeles (above) is a center of "creativity" and "diversity." A guide for scholarly visitors begins on Page 28.

ALSO IN THIS ISSUE

Athletics	37-40
Books	23
Bulletin Board	50-127
Calendar of Events	48
Computers	34
Deadlines	49
Deaths	47
Gazette	46-47
Grants	48
International News	41-44
Letters	45
Marginalia	2
News in Brief	2-3
Personal & Professional	27-35
Philanthropy	36
Point of View	128
Scholarship	5-24
Washington News	25-28

President to Seek Student-Aid Cap, Limits on Loans

Ceiling of $4,000 per year proposed for each recipient

By DONNA ENGELGAU
WASHINGTON

The Reagan Administration's budget for fiscal year 1986 will include a proposal that Guaranteed Student Loans be denied to families with incomes over $30,000 a year and that no student be allowed to receive more than $4,000 a year in federal aid.

The Administration's aim is to direct most federal aid to students from low-income families, sources said.

Both proposals were included in a draft budget sent to the Education Department as part of the budget-review process. Department officials reportedly have agreed to the budget plan prepared by the White House, but educators are expected to resist it.

The plan also may encounter considerable resistance in Congress. An aide to Rep. William D. Ford, a Michigan Demo-

Continued on Page 26, Column 1

Literacy: 'Excitement' of New Field Attracts Scholars of Literature

By ELLEN K. COUGHLIN
WASHINGTON

Scholars of language and literature are beginning to treat seriously a subject that their profession has largely taken for granted: literacy, the simple ability to read and write.

"The study of literacy as an academic subject is now generating the kind of interdisciplinary excitement that structuralism did in the United States 20 years ago," Donald Lazere told his colleagues at the annual meeting here of the Modern Language Association.

Research on literacy, said Mr. Lazere, a professor of English at California Polytechnic State University at San Luis Obispo, is bridging gaps between the fields of literature, composition, and rhetoric, and creating common ground among social-science departments, humanities departments, and schools of education.

It has the added virtues, he noted, of being less esoteric than structuralism

Continued on Page 10, Column 1

CHRONICLE PHOTOGRAPH BY JOHN C. PHILLIPS

"The study of literacy is generating the kind of interdisciplinary excitement that structuralism did 20 years ago," says Donald Lazere.

Professor Wins Right to Home-Office Tax Deduction

Appeals court says college failed to provide 'suitable' place for research; effect on others is unclear

By ROBERT L. JACOBSON

A college professor whose institution did not provide him with a "suitable private office" in which to do his scholarly work is entitled to a federal income-tax deduction for an office in his home, a three-judge panel of the U. S. Court of Appeals for the Second Circuit has ruled.

The 2-to-1 decision, which reversed a year-old judgment by the U.S. Tax Court, could set the stage for a host of similar claims by college and university faculty members across the country. It was not immediately clear, however, how much precedential weight the new ruling would have in other jurisdictions, or even in the states served by the Second Circuit—Connecticut, New York, and Vermont.

Lawyers for the professor said they expected many comparable claims to be made but did not know whether the Internal Revenue Service would appeal the Second Circuit's decision, accept it as a general rule, or compel other faculty members to prove individually in court that they qualified for the home-office deduction.

'Principal Place of Business'

A Justice Department lawyer who handled the case, Francis M. Allegra, said he was "not allowed" to comment on the ruling and could not speak about the procedural options involved.

The case centered on arguments by David J. Weissman, professor of philosophy at City College of the City University of New York, that his home office was his "principal place of business," and that the scholarly research and writing he did there in 1976, when he was an associate professor, had been required under the university's bylaws.

He said his use of the office satisfied tax-code requirements that it be maintained "for the convenience of his employer."

There was no dispute over assertions by Mr. Weissman that he had complied with another tax-code provision that, to be eligible for the deduction, a taxpayer must use his home office exclusively for business purposes on a regular basis.

Nor was it denied that the professor, whose work week totaled 64 to 75 hours,

Continued on Page 35, Column 1

Government Efforts to Muzzle Researchers Are Growing, Harvard Report Charges

By KIM McDONALD

Several federal agencies have recently expanded efforts to restrict the freedom of scholars, says a Harvard University report that is being distributed to the presidents of the country's leading research universities.

Those efforts, the report says, include attempts to impose unnecessary prepublication reviews of research results and unfair restrictions on the access of foreign scholars to laboratories and classrooms in the United States. The agencies involved include several that have little direct involvement in national security.

The 32-page paper, prepared by John Shattuck, Harvard's vice-president for government, communication, and public affairs, asserts that such controls "threaten to erode the American tradition of academic freedom."

The full text of the report begins on Page 13.

Mr. Shattuck said in an interview last week that he prepared the document at the

Continued on Page 13, Column 1

U.S. Quits UNESCO; Britain Alters Aid Plan

► On the last day of 1984, the United States carried out its threat to withdraw from the United Nations Educational, Scientific, and Cultural Organization.

► The British government has modified its plan to cut student aid—a proposal that had been called a serious threat to the leadership of Prime Minister Margaret Thatcher.

For details, see the International section, which begins on Page 41.

Note Pad

A Cabinet-level Department of Science and Technology, an idea that has been mulled over by previous Administrations, appears to have strong backing from the Reagan Administration this year.

Despite a general lack of enthusiasm for the proposal among academic scientists, most of whom believe that such a department would increase administrative costs and decrease the diversity of research grants, White House science officials are pushing the suggestion as a way to improve the country's technological innovativeness.

Last month, the President's Commission on Industrial Competitiveness, which includes industry leaders and President Reagan's science adviser, George A. Keyworth, II, recommended in a report that the government create such a department to "transform the current, fragmented formulation of policies for science and technology into one that would be far more effective in meeting long-term national goals."

▪

Many scientists believe that the creation of a science department is unlikely, at least in the near future, because of stiff resistance from Congress and special-interest lobbyists.

"The health lobby will be the Achilles' heel," predicted one Congressional aide. "If the proposal is ever considered by Congress, you'll have a thousand Alzheimer's-disease victims up here in no time saying why it isn't a good idea."

But some researchers believe the newest proposal may have a better chance than previous attempts, because this time it is tied to improving industrial competitiveness.

"I think the idea has more than a small chance to get adopted in some form," one scientist said.

▪

Frank Press, president of the National Academy of Sciences, has asked members of his prestigious institution to help block attempts by universities to bypass scientific "peer review" by going directly to Congress to obtain new research facilities for their campuses.

Mr. Press told the more than 1,500 academy members in a recent letter that he considered those efforts—which have increased in number over the past two years—to be a problem of "great significance to American science" and that he hoped to "enlist" each of them in resolving it.

"None of these direct political approaches to secure funds from the research budget would have occurred if they were not initiated by members of our own community," he said.

"I am therefore writing to each of you, requesting that you play a leadership role in your own institution and in your own region to advocate the thoughtful, deliberative process of evaluation and to resist involving the political process."

"It is in the long-term interest of a strong American science," he added, "to use procedures that we all respect, and to resist special-interest political favoritism that can only hurt the overall scientific endeavor."

Washington

Charities Predict 27-Pct. Drop in Donations to Academe Under Treasury's Tax Proposal

They say plan would reduce contributions from individuals by about $800-million

By STACY E. PALMER

WASHINGTON

Charitable donations to higher education would decline by about 27 per cent if the Treasury Department's proposal to simplify taxes becomes law, according to an analysis prepared for Independent Sector, which represents about 600 charitable organizations.

Donations from individuals to colleges and universities are expected to amount to about $2.9-billion in 1985. But if the Treasury Department's plan to change the tax treatment of charitable contributions were in effect, higher-education institutions could expect to collect only about $2.1-billion this year, said Charles T. Clotfelter, who prepared the report. He is vice-provost for academic policy and planning at Duke University and a consultant to Independent Sector.

The Treasury released a set of proposals for revamping the federal tax code in November. Reaction to the plan has been lukewarm on Capitol Hill, where most lawmakers are more concerned about trimming the swelling federal budget deficit than in passing a measure that would simplify the tax code but raise no additional money.

However, the Treasury Department's proposals are expected to set the tone for debate when tax reform is discussed by Congress in coming months.

Limiting Deductions for Gifts

Included in the plan are proposals that would limit deductions for charitable contributions and eliminate the tax-free status of certain fringe benefits, such as tuition benefits employers provide for their employees.

The charitable-giving provision would allow taxpayers who itemize their deductions to deduct contributions only if they exceed 2 per cent of income.

Mr. Clotfelter used an econometric model of how people generally react to changes in the tax code to predict that the Treasury plan would lead to a 27-per-cent decline in gifts to higher education.

Over all, economic analysts have estimated that the Treasury proposal would curb charitable giving from individuals by 20 to 30 per cent, including a 28-per-cent decline in gifts of cash and a 38-per-cent decline in gifts of property.

About 40 per cent of gifts to colleges and universities are made in the form of appreciated property, the Association of American Universities has estimated.

The Treasury is seeking to limit sharply the value of deductions individuals can take when they donate property that has grown in value, such as real estate and stocks and bonds.

Immediately after the Treasury proposals were released, higher-education officials said the Treasury plan would have a devastating effect on colleges, many of which are heavily dependent on charitable

Continued on Following Page

Government's Chart of State Education Statistics Makes Unfair Comparisons, Educators Charge

By JEAN EVANGELAUF

WASHINGTON

At his final press conference as Secretary of Education, Terrel H. Bell issued the second edition of his department's controversial chart of state education statistics.

The chart—like the original version—drew considerable criticism from educators, who charged that many of the comparisons among the states are unfair because the data are not really comparable. At the same time, the educators acknowledged that, as school-improvement programs sweep the states, people are anxious to see some early results. In the words of one educator, "there's an inexhaustible thirst for data."

Uneven Scores Among States

Although the chart is intended to measure the current status of elementary and secondary education in each state, it has as its two "performance indicators" figures of interest to higher education: average college-admissions-test scores and high-school graduation rates.

Those are also two of the most controversial pieces of data.

Although national scores on the two admissions tests—the American College Testing Program's A.C.T. Assessment and the Educational Testing Service's Scholastic Aptitude Test—were up in 1984, performance among the states was uneven, according to the Education Department. The scores were up in 31 states and the District of Columbia, down in 10, and unchanged in 8. Scores were not available for Washington State. The chart gives one average score for each state—either the A.C.T. or S.A.T., depending on which was taken by more students.

In his prepared remarks, Mr. Bell said the rise in test scores "has resulted from the higher standards and expectations we have set for ourselves over the past few years." However, in response to a question, he said "I'm not sure" about the reasons for the rise in scores. Testing-agency officials have generally said it is too early for the recent emphasis on education reform to have had any effect on the scores.

Many educators have objected to using the scores of college-bound students to indicate overall quality of the public education system. In many states, they point out, only a fraction of high-school graduates take such tests. In Minnesota, for example, the A.C.T. was the most popular of the two tests, but only 28.6 per cent of the state's high-school graduates took it. In Texas, the S.A.T. was the most popular, but only one-third of the graduates took it.

"Releasing state-by-state comparative figures can invite inappropriate and inac-

Continued on Following Page

Sweet Statistics for Terrel Bell

WASHINGTON

Terrel H. Bell's last press conference as Secretary of Education ended on a sweet note.

His staff presented him with a large sheet cake decorated with a facsimile of the Education Department's chart of state education statistics. For Mr. Bell's home state of Utah, the statistics were replaced by smiling faces drawn in yellow icing.

The possibility of dismantling the Education Department was the "most tormenting" issue during his four years, Mr. Bell said. "I felt I came here a little bit like the person in the business of foster care: Take care of this unruly youngster until we get it placed. After four years, I've developed a little bit of affection for the brat."

—JEAN EVANGELAUF

WIDE WORLD

Decline in Donations Feared

Charities predict 27-pct. drop under Treasury's plan

Continued from Preceding Page

contributions for their economic survival. In 1982-83, for instance, higher education received about $5.1-billion in charitable donations. Nearly half of the total came from individuals.

The Treasury proposal is not the only tax-simplification plan that could cut contributions to higher education. Other popular legislative plans to revamp the tax system would also lead to substantial drops in the amount of charitable donations made to colleges and universities, according to Mr. Clotfelter's estimates.

For instance, he said, a flat-tax plan proposed by Sen. Bill Bradley of New Jersey and Rep. Richard A. Gephardt of Missouri—both Democrats—would lead to a 42-per-cent drop in giving to higher education. Under the Bradley-Gephardt plan, charitable contributions would continue to be deductible, but all itemized deductions would be taken at the lowest rate on the tax scale (14 per cent), regardless of an individual's income level.

Although several plans to reform the tax code have been offered by lawmakers, only a few have much chance of actually being enacted into law. The most prominent plans are the Bradley-Gephardt proposal and a bill sponsored by Republicans Rep. Jack F. Kemp of New York and Sen. Bob Kasten of Wisconsin. The Kemp-Kasten plan, Mr. Clotfelter predicted, would lead to a 28 per cent decline in the amount of charitable contributions colleges and universities could expect to receive.

Presidents Issue Report

Derek C. Bok, president of Harvard University, and William G. Bowen, president of Princeton University—along with Robert M. Rosenzweig, president of the Association of American Universities—have issued a report objecting to specific aspects of the Treasury's plan.

The presidents said that, even using the most optimistic predictions of how the U.S.economy would grow if the reform were passed, the growth "could be expected to make up only about one-third of the giving lost."

The Treasury Department has said it does not expect a substantial decline in charitable giving if its proposal is enacted because most people give to charity more for altruistic reasons than because of tax considerations.

Officials of charitable groups agree that altruism is one of the main motivations for giving, but they also say that the size and the timing of many gifts to charity are substantially influenced by tax inducements.

"Our experience tells us that a broad-based and generous commitment to higher education can be sustained over time only if the government will continue to encourage such giving in tangible as well as hortatory ways," Mr. Bok and Mr. Bowen said in their report. "We both can attest to numerous examples of individuals who have given far more generously than otherwise would have been the case because of provisions currently in the tax code."

Although other elements of the Treasury plan would also have a negative impact on colleges, they said their concern was focused largely on charitable contributions.

Proposals to eliminate tax-exempt bonds for student loans and educational facilities and to levy taxes on certain scholarships and fringe benefits, for example, "are quite important, but none, it is fair to say, matches the effect of abandoning the long-established national policy of encouraging voluntary gifts to of private resources to institutions serving public purposes," the presidents said.

Colleges and universities are willing to make sacrifices, the presidents said, but higher education should not be considered just another "special interest" they said.

College Admissions Test Scores by State, 1984

	Test	Average score	2-year change	Per cent tested
Alabama	ACT	17.4	+ 0.2	58.7%
Alaska	ACT	18.2	− 0.5	36.7%
Arizona	ACT	18.7	+ 0.0	41.8%
Arkansas	ACT	17.6	− 0.1	61.4%
California	SAT	897	− 2.0	39.1%
Colorado	ACT	19.7	+ 0.1	70.2%
Connecticut	SAT	904	+ 8.0	82.8%
Delaware	SAT	902	+ 5.0	48.2%
D. C.	SAT	823	+ 2.0	49.9%
Florida	SAT	890	+ 1.0	39.5%
Georgia	SAT	822	− 1.0	48.2%
Hawaii	SAT	869	+12.0	48.3%
Idaho	ACT	18.9	+ 0.0	59.2%
Illinois	ACT	18.7	+ 0.1	71.5%
Indiana	SAT	864	+ 4.0	44.7%
Iowa	ACT	20.2	− 0.1	58.9%
Kansas	ACT	19.2	+ 0.3	63.5%
Kentucky	ACT	17.9	+ 0.4	62.0%
Louisiana	ACT	16.6	− 0.1	77.9%
Maine	SAT	892	+ 2.0	47.3%
Maryland	SAT	897	+ 8.0	48.0%
Massachusetts	SAT	896	+ 8.0	62.6%
Michigan	ACT	18.8	+ 0.1	55.6%
Minnesota	ACT	20.2	+ 0.0	28.6%
Mississippi	ACT	15.6	+ 0.1	86.2%
Missouri	ACT	18.8	+ 0.1	51.3%
Montana	ACT	19.4	− 0.1	52.6%
Nebraska	ACT	20.1	+ 0.2	77.1%
Nevada	ACT	18.7	+ 0.4	45.6%
New Hampshire	SAT	931	+ 6.0	56.9%
New Jersey	SAT	876	+ 7.0	66.6%
New Mexico	ACT	17.6	+ 0.0	63.1%
New York	SAT	894	− 2.0	61.3%
North Carolina	SAT	827	+ 0.0	46.4%
North Dakota	ACT	17.9	+ 0.1	62.4%
Ohio	ACT	19.2	+ 0.2	50.3%
Oklahoma	ACT	17.6	+ 0.0	56.7%
Oregon	SAT	907	− 1.0	43.6%
Pennsylvania	SAT	887	+ 2.0	50.9%
Rhode Island	SAT	885	+ 8.0	55.6%
South Carolina	SAT	803	+13.0	44.8%
South Dakota	ACT	19.2	+ 0.1	69.7%
Tennessee	ACT	17.7	+ 0.2	64.5%
Texas	SAT	866	− 2.0	33.0%
Utah	ACT	18.8	+ 0.4	74.0%
Vermont	SAT	907	+ 3.0	51.7%
Virginia	SAT	894	+ 6.0	50.1%
Washington*	—	—	—	—
West Virginia	ACT	17.4	+ 0.0	52.4%
Wisconsin	ACT	20.4	+ 0.0	35.2%
Wyoming	ACT	19.3	+ 0.1	60.3%
U.S. average	ACT	18.5	+ 0.1	—
	SAT	897	+ 4.0	—

Note: The ACT (American College Testing Program's ACT Assessment) is scored on a scale from 1 to 36. The SAT (Educational Testing Service's Scholastic Aptitude Test) is scored on a scale from 400 to 1600. For each state one score is given, depending on which test was taken by more students. The table shows the percentage of high school graduates who took the tests.

* Omitted because fewer than 20 per cent of the graduates took either test.

SOURCE: U. S. DEPARTMENT OF EDUCATION

U.S. Chart of State Education Data Called Unfair

Continued from Preceding Page

curate interpretations of the data," said David S. Crockett, the A.C.T.'s vice-president for public affairs. "It leads to casual generalizations about education. At least the chart separates them by A.C.T. and S.A.T. states, but comparisons across states just aren't meaningful," he said.

The A.C.T. releases average state scores only to the individual state education officers. The Department of Education obtained the figures for its chart from the states.

Mr. Crockett said the A.C.T. would probably continue to withhold state averages. The Educational Testing Service does release state-by-state averages for the S.A.T.

According to the Education Department's chart, the 1983 high-school graduation rate was 73.9 per cent, an increase of one percentage point over 1982.

That graduation rate, which is determined by dividing the number of graduates by the number of ninth graders four years earlier, is difficult to measure at the state level. Last year's figures provoked protest from some state officials. They say the numbers are misleading for three reasons: They do not include teen-age dropouts who earn high-school-equivalency certificates; they fail to take interstate mobility into account; and they include only graduates from public high schools.

Bell Defends Chart

Mr. Bell defended the chart, which he called a "scoreboard." He said he had released it to heighten interest in education reform. "When you go to the stadium or gymnasium and there's no scoreboard, there's less interest," he said.

"Education leaders shouldn't be defensive about the data," Mr. Bell said. "The schools belong to everybody. We all share the credit, blame, and concern."

The chart shows, for each state, changes over one or two years in performance and in "inputs," such as the average salary of teachers. The states are ranked on each measure. It also includes such measures as expenditures per student and teacher-student and staff-student ratios.

Mr. Bell said he hoped his successor would continue to release the statistics chart.

Mr. Bell emphasized that the figures should be considered in the context of a state's demographic information. "It's important to alert states to differences in population characteristics to avoid comparisons that aren't valid," he said.

This year's table includes such measures as income per capita, the percentage of children living in poverty, and the education level of adults. Last year, when Mr. Bell released the first chart, he was criticized for highlighting the relationship between test scores and the amount the states spend per student without reference to population characteristics.

Gordon Ambach, president of the Council of Chief State School Officers and state education commissioner in New York, said, "We do not believe that the interests of children or of education are well served by publication of a chart that, in the Secretary's own words, includes much 'less than perfect' data."

However, figures on educational progress are hard to come by, at least figures that can be used for state comparisons. For example, the National Assessment of Education Progress, which tests 9-, 13-, and 17-year olds in 10 subjects, including reading, writing, and math, is not designed to provide state-level figures.

Stephen S. Kaagan, the education commissioner of Vermont and former chairman of the school officers' committee on educational information, said that state education officials had a "profound responsibility" to inform the public, but that they had not fulfilled that duty. "One thing that is abundantly clear is that there is an inexhaustible thirst for data," he said. "People are crying out for more information."

The school officers' council, which criticized the first chart, decided this fall to develop its own performance measures. The council is reviewing such measures as test scores in reading and math, indicators of teacher quality, and data about what students do after high-school graduation.

Copies of the chart, *State Education Statistics*, are available free of charge from the Public Affairs Office, U.S. Department of Education, Room 2097, 400 Maryland Ave., S.W., Washington 20202.

Reagan to Seek Student-Aid Cap, Limits on Loans

Continued from Page 1

crat who is expected to chair the House Subcommittee on Postsecondary Education this year, said that the proposals were unfair to private colleges and universities, and as a result they would be unlikely to muster Congressional support.

Although no specific proposals or figures have been released publicly, student aid is one of several areas of the budget that are reported to be targets for substantial cuts.

The actual budget proposals will be presented to Congress during the first week of February. Any budget cuts or other legislative changes proposed by the White House would require Congressional approval.

The neediest students would be most affected by the proposal to limit federal aid from all sources to $4,000 a year per student, sources said. Under current law, a student can obtain up to $7,000 in federal aid a year.

Private colleges and universities would be most affected by the proposed $30,000 income ceiling for Guaranteed Student Loans. Many students from families earning more than $30,000 would probably be unable to attend high-cost private institutions, officials said.

"It would just be an incredible problem," said James W. White, financial-aid director at Oberlin College. The cap would particularly hurt institutions where costs exceeded $7,000 per year, he said. Mr. White said that 45 per cent of the students at Oberlin would no longer be eligible for Guaranteed Student Loans under the proposal.

"The magnitude of this would be so severe that private colleges would have to find ways to make up the difference," he said.

Eligibility Based on Need

Eligibility for Guaranteed Student Loans—the largest federal student-aid program—is currently based on a family's need, with no absolute ceiling on income. Undergraduate students from families with annual incomes below $30,000 are entitled to borrow a total of $12,500, or $2,500 per year.

Families earning more than $30,000 a year can qualify for the loans if they show they cannot afford to pay college costs.

Public colleges and universities also would experience a decline in enrollment under the proposed income cap, but it would not be as severe as that experienced by private institutions.

"It would have a pretty sizable affect on us," said Robert T. Noble, associate director of financial aid at Ohio State University.

About 21,000 of Ohio State's 54,000 students now apply for Guaranteed Student Loans each year. Under the Administration's plan, about about 8,000 students, would be unable to obtain a loan, Mr. Noble said.

"Over all, it would have a harmful effect because it would adversely affect the family with several college-age children," said David W. Adamany, president of Wayne State University. Mr. Adamany said the proposal would ultimately aggravate the unemployment problems faced by industrial states like Michigan. Many people from middle- and lower-income families are leaving their factory jobs so they can learn new skills at college, he said.

In the past, the Administration submitted a proposal that would require students from all income levels—not just those from families making more than $30,000—to meet a "needs analysis" test before receiving any federal aid. Some higher-education representatives believe that is a more reasonable approach to insuring that those students who really need federal aid receive it.

College Endowments Lose 2.8 Pct. in 1984

Decline of 155 pools is slightly larger than expected; weak stock market blamed

By JEAN EVANGELAUF

College and university endowments followed the stock market down in fiscal 1984 and ended the year with a loss of 2.8 per cent.

The National Association of College and University Business Officers, in a preliminary study of the performance of 155 endowment pools, reported that the endowments had losses slightly larger than expected.

The drop in 1984 followed 1983's record gain of 41.3 per cent.

Those changes in returns include changes in market value of the investments as well as interest and dividends.

The loss of 2.8 per cent, for the year ending June 30, 1984, is somewhat greater than the 2-per-cent loss the endowments would have suffered had the average portfolio had returns equal to those of composite stock and bond indices such as the Standard & Poor's 500, the report said.

Leigh A. Jones, vice-president for finance at Berea College and chairman of NACUBO's investment committee, said the fact that the returns were close to those of the composite indices indicated that college and university endowments were managed well last year.

"The figures show that colleges have gone out and gotten good investment managers," he said. "I hope that gives some sort of assurance to the donors who are giving us the money."

Trend Toward Stocks Continues

The figures also indicate that the trend toward increased investment in stocks has continued. Frederick F. Moon, vice-president and treasurer at Pomona College and a member of the NACUBO investment committee, said, "Over the last 15 years, there's been greater investments in equities. It's a trend toward slightly more aggressive investment with diversification of the holdings."

Unlike 1983, however, endowments that had more money invested in stocks in the year ending last June 30 did not perform as well as those that emphasized other types of investments. For example, those endowments with 65 per cent or more of their assets in stocks averaged losses of 6.4 per cent, while those with less than half of their portfolios in stocks averaged losses of 1.1 per cent.

Mr. Moon said that an increasing number of institutions were investing in foreign equities, real estate, and venture-capital opportunities, and that others were considering diversifying their portfolios into those areas.

Outpacing Inflation

Because of the record-setting return in fiscal 1983, the endowment funds show gains when compared over three, five, and ten years. Over those time periods, portfolios with half or more of their assets in stocks outperformed those with less than half of their assets in stocks. And despite 1984's losses, the endowments have outpaced inflation over the last three, five, and ten years.

At Berea, Mr. Jones said, the investment objective was to have earnings equal inflation plus 5 per cent of the market value of the endowment. In 1984, with 85 per cent of its assets in stocks, Berea's endowment had a loss somewhat greater than the average. The college's endowment stands at about $120-million, he said.

At Pomona, according to Mr. Moon, the endowment was about $111-million at the end of the fiscal year, and registered a loss of about 1 per cent. About 60 per cent was invested in stocks.

At the beginning of fiscal year 1984, the average endowment pool was invested in the following assets: 56.7 per cent in stocks; 28.4 per cent in bonds; 10.0 per cent in cash; 2.1 per cent in real estate; and 2.8 per cent in other assets.

The preliminary results are based on 155 investment pools representing $14.7-billion in assets.

The median pool had assets of $31.3-million.

The final performance report, which ranks the participating institutions by the size of their endowments, will be available next summer. It will include figures for 200 to 225 endowments.

Preliminary Total-Return Rates for Endowments in Fiscal 1984

	Periods ending June 30, 1984			
	1 year	3 years	5 years	10 years
All investment pools	−2.8%	+10.5%	+11.7%	+10.0%
By size				
$100-million or more	−2.4%	+11.1%	+12.9%	+10.5%
$25-million to $100-million	−3.4%	+11.0%	+12.5%	+10.6%
Under $25-million	−2.6%	+10.1%	+10.3%	+ 9.0%
By equity-related assets				
65% or more in equity	−6.4%	+10.0%	+13.2%	+11.2%
50% to 65% in equity	−2.4%	+11.0%	+11.8%	+ 9.8%
Under 50% in equity	−1.1%	+10.5%	+10.4%	+ 9.1%
Comparative measures				
Equities				
Dow Jones Industrial Average	−2.8%	+10.8%	+12.2%	+ 9.0%
Standard & Poor's Industrials	−4.3%	+10.7%	+14.1%	+10.8%
Standard & Poor's 500	−4.7%	+10.6%	+13.9%	+11.1%
Bonds				
Salomon Brothers Bond Index	−7.4%	+12.4%	+ 3.3%	+ 6.0%
Shearson Lehman Broad-Based Corporate Bond Index	−1.9%	+15.0%	+ 6.1%	+ 7.9%
Common Fund†				
Equities	−9.3%	+10.7%	+16.6%	+14.1%
Bonds	+2.3%	+12.1%	+ 4.9%	—
Consumer Price Index	+4.2%	+ 4.6%	+ 7.5%	+ 7.8%
Higher Education Price Index‡	+5.4%	+ 7.2%	+ 8.4%	+ 7.8%

Note: Data for this preliminary study are based on 155 college and university investment pools. Total return is change in market value, plus dividends and interest, for periods ending June 30, 1984.
† A nonprofit organization through which educational institutions pool investments.
‡ An index of changes in prices paid by colleges and universities for goods and services, developed by D. Kent Halstead, National Institute of Education.
— Not available.

SOURCE: NATIONAL ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS

Keck Foundation to Give $70-Million for Telescope

PASADENA, CAL.

The W. M. Keck Foundation of Los Angeles announced last week that it planned to give $70-million to the California Institute of Technology to build the world's biggest and most advanced optical telescope. The grant is said to be the largest private gift ever made in support of a scientific project.

Construction of the telescope, to be located in Hawaii, will begin in 1986 and take six years. It is to be operated jointly by Caltech and the University of California.

Marvin L. Goldberger, president of Caltech, said that under the proposed operating agreement his institution would help pay for the construction of the observatory while U.C. would contribute funds for its continuing operation. The total cost of the project is expected to reach $85-million.

The W. M. Keck Observatory will be built with the cooperation of the University of Hawaii, which owns the land. Scientists from that institution will have use of the facility.

The observatory will be located on a 13,600-foot-high ridge on Mauna Kea, an extinct volcano on the island of Hawaii. Several other large telescopes already exist at the site, considered the best in the world for an observatory.

The Keck telescope's mirror will have a diameter of 10 meters—about 400 inches—and will be four times as powerful as the 200-inch Hale Telescope at Caltech's Palomar Observatory, which has been the leading instrument of optical astronomy in the Western world since 1948.

"The Keck telescope will enable astronomers to look back in time to within only a few billion years of the 'big bang' origin of the universe—billions of years earlier than is possible with existing optical instruments," said Mr. Goldberger.

The new telescope will feature a segmented mirror, the technology for which was developed by a team of U.C. scientists. The mirror will consist of 36 separate, adjoining hexagonal mirrors, each six feet across.

"Astronomers expect the 10-meter telescope to be at the forefront of optical astronomy for many decades into the 21st century," said Howard B. Keck, president of the Keck Foundation. —PAUL DESRUISSEAUX

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